

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2022

Docket No. ACR2022

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-6 OF CHAIRMAN'S INFORMATION REQUEST NO. 18**

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 18, issued on March 14, 2023. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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1. Please refer to the "Accident Count by Type" table in the *FY 2022 Report*. *FY 2022 Annual Report* at 42. Please confirm that the number of accidents in the Motor Vehicle category for FY 2021 and FY 2022 includes accidents related to motor vehicles contracted to transport mail for the Postal Service.
 - a. If confirmed, please provide the number of accidents related to motor vehicles contracted to transport mail for the Postal Service in FY 2021 and FY 2022.
 - b. If not confirmed, please explain whether and how the Postal Service tracks data and information on the number of accidents, injuries, and deaths related to motor vehicles contracted to transport mail for the Postal Service.
 - c. Please describe any plans to track data and information on the number of accidents, injuries, and deaths related to motor vehicles contracted to transport mail for the Postal Service in FY 2023.

RESPONSE:

Not confirmed. As discussed in the Annual Report, the "Safe Workplace and Engaged Workforce" performance goal concerns *employees*, and whether the Postal Service is effectively achieving standards of occupational safety and health for our employees, and whether employees are engaged so that they thrive and perform at a high level. It does not concern independent contractors.

- a. N/A
- b. As independent contractors, the third-party carriers that we retain are responsible for the safety of their operations, but our contracts with those carriers impose specific safety obligations on them. The Postal Service reviews safety incidents involving contractors as they occur. Furthermore, in FY 2022, the Postal Service hired a third-party software provider to assist in measuring and monitoring the carrier safety performance of our independent contract carriers.

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c. See the answer to Question 1.b above. In addition, the Postal Service has been engaged in an ongoing initiative over the past several years to re-engineer our approach to the management of our transportation portfolio, including that portion of our transportation that we contract out to independent third-party carriers. This re-engineering, which is in progress, includes all aspects of this portion of our business, including our approach to safety.

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2. Please explain how the Postal Service monitored the safety and performance of motor vehicles contracted to transport mail for the Postal Service in FY 2022.

RESPONSE:

As explained in response to Question 1.b above, the Postal Service followed its practice of reviewing safety incidents involving contractors as they occurred. The Postal Service discussed these incidents with the relevant contractors in order to determine cause and reduce the likelihood of recurring incidents. The Postal Service also continued its ongoing practice of reviewing transportation contractors with the goal of terminating relationships with those contractors found to have unsatisfactory safety performance. Furthermore, as noted, the Postal Service hired a third-party software provider to assist in measuring and monitoring the carrier safety performance of our independent contract carriers.

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- 3.** Please explain how the Postal Service will monitor the safety and performance of motor vehicles contracted to transport mail for the Postal Service in FY 2023.

RESPONSE:

The Postal Service will continue to follow the practices described in response to Questions 1.b. and 2 above. In addition, the Postal Service has been engaged in an ongoing initiative over the past several years to re-engineer our approach to the management of our transportation portfolio, including that portion of our transportation that we contract out to independent third-party carriers. This re-engineering, which is in progress, includes all aspects of this portion of our business, including our approach to safety.

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4. Please describe any plans in FY 2023 to improve the safety and performance of motor vehicles contracted to transport mail for the Postal Service to help meet the Safe Workplace and Engaged Workforce performance goal. In the response, please describe any plans to change the contracting process for contractor-operated motor vehicles and to require contractors to meet specific Department of Transportation safety and maintenance requirements.

RESPONSE:

As noted above in response to Question 1.a., the safety and performance of motor vehicles contracted to transport mail for the Postal Service is not a part of the Safe Workplace and Engaged Workforce performance goal. That said, as also noted above, the Postal Service requires, and will continue to require, that our independent contractors operate safely; adhere to federal, state and local laws; and properly compensate their employees. Repeated safety incidents involving our independent contractors are, and will continue to be, grounds for termination when the Postal Service determines that such contractors are not pursuing consequential remedial actions. Moreover, the Postal Service has been engaged in an ongoing initiative over the past several years to re-engineer our approach to the management of our transportation portfolio, including that portion of our transportation that we contract out to independent third-party carriers. This re-engineering, which is in progress, includes all aspects of this portion of our business, including our approach to safety.

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5. The *FY 2022 Annual Report* lists the Postal Service's FY 2022 and FY 2023 strategic initiatives. *FY 2022 Annual Report* at 53. In Docket No. ACR2021, the Postal Service provided public descriptions for each strategic initiative in Docket No. ACR2021 Response to CHIR No. 21, question 2.a.¹ Please confirm the descriptions appearing in Docket No. ACR2021 Response to CHIR No. 21, question 2.a apply to and remain current for each strategic initiative implemented in FY 2022 and planned for FY 2023. If not confirmed, please file updated public descriptions for the strategic initiatives implemented in FY 2022 and planned for FY 2023.

RESPONSE:

Confirmed.

¹ Docket No. ACR2021, Responses of the United States Postal Service to Questions 1-2 of Chairman's Information Request No. 21, March 4, 2022, question 2.a. (Docket No. ACR2021 Response to CHIR No. 21).

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6. to track performance against desired Delivering for America outcomes.” *FY 2022 Annual Report* at 52. Please provide the performance measures the Postal Service will use to track the performance of each strategic initiative in FY 2023, including FY 2023 targets if applicable.

RESPONSE:

The Postal Service continues to assess performance in implementing each strategic initiative through the measurement of variance against critical milestones to achieve its intended corporate performance outcomes/goals, measures, and annual targets. The FY 2022 Annual Report to Congress (ARC) outlines the specific corporate outcomes/goals that align with the *Delivering for America Plan's* strategic initiatives for FY 2022 and FY 2023. See the ARC at 53 (“*FY 2022 and FY 2023 Strategic Initiatives Matrix*”). The tables below provide the specific measures and annual FY 2023 targets that support each such corporate performance outcome/goal.

Strategic Initiative		
Strengthen value of mail and sustain public service mission, including 6-day mail delivery.		
Corporate Performance Outcome / Goals	Measure	FY 2023 Target
Excellent Customer Experience	Customer Experience Composite Index	74.39
	Business Service Network (BSN)	98.00
	Point of Sale (POS)	87.46
	Delivery	80.94
	Customer Care Center (CCC)	69.88
	Customer 360 (C360)	40.05
	usps.com	73.41
	Business Mail Entry Unit (BMEU)	96.29
Financial Health	Controllable Income (Loss) (\$ in billions)	0.50

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Strategic Initiative Implement service standards that achieve service excellence 95% of the time.		
Corporate Performance Outcome / Goals	Measure	FY 2023 Target
High-Quality Service	Single-Piece First-Class Mail	
	Two-day	93.00
	Three-to-five-day	90.28
	Presort First-Class Mail	
	Overnight	95.00
	Two-day	95.00
	Three-to-five-day	92.20
	First-Class Mail Letter and Flat Composite (FCLF)	92.50
	Marketing Mail and Periodicals Composite	93.37
	Market Dominant Composite	93.00
	Competitive Product Composite	Not Public ⁱ
Financial Health	Controllable Income (Loss) (\$ in billions)	0.50

Strategic Initiative Innovate and launch USPS Connect.		
Corporate Performance Outcome / Goals	Measure	FY 2023 Target
High-Quality Service	Competitive Product Composite	Not Public ⁱ
Financial Health	Controllable Income (Loss) (\$ in billions)	0.50

Strategic Initiative Implement a fully optimized surface and air transportation network.		
Corporate Performance Outcome / Goals	Measure	FY 2023 Target
High-Quality Service	Single-Piece First-Class Mail	
	Two-day	93.00
	Three-to-five-day	90.28
	Presort First-Class Mail	
	Overnight	95.00
	Two-day	95.00
	Three-to-five-day	92.20
	First-Class Mail Letter and Flat Composite (FCLF)	92.50
	Marketing Mail and Periodicals Composite	93.37

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Excellent Customer Experience	Market Dominant Composite	93.00
	Competitive Product Composite	Not Public ⁱ
	Customer Experience Composite Index	74.39
	Business Service Network (BSN)	98.00
	Point of Sale (POS)	87.46
	Delivery	80.94
	Customer Care Center (CCC)	69.88
	Customer 360 (C360)	40.05
	usps.com	73.41
	Business Mail Entry Unit (BMEU)	96.29
Financial Health	Controllable Income (Loss) (\$ in billions)	0.50

Strategic Initiative Modernize delivery vehicle fleet, and with Congressional support, implement electric fleet by 2035.		
Corporate Performance Outcome / Goals	Measure	FY 2023 Target
Safe Workplace and Engaged Workforce	Total Accident Rate	13.25
	Grand Mean Engagement Score	3.33
Financial Health	Controllable Income (Loss) (\$ in billions)	0.50

Strategic Initiative Implement best-in-class processing operations.		
Corporate Performance Outcome / Goals	Measure	FY 2023 Target
High-Quality Service	Single-Piece First-Class Mail	
	Two-day	93.00
	Three-to-five-day	90.28
	Presort First-Class Mail	
	Overnight	95.00
	Two-day	95.00
	Three-to-five-day	92.20
	First-Class Mail Letter and Flat Composite (FCLF)	92.50
	Marketing Mail and Periodicals Composite	93.37
	Market Dominant Composite	93.00
	Competitive Product Composite	Not Public ⁱ
Financial Health	Controllable Income (Loss) (\$ in billions)	0.50

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Strategic Initiative Implement best-in-class delivery operations.		
Corporate Performance Outcome / Goals	Measure	FY 2022 Target
High-Quality Service	Single-Piece First-Class Mail	
	Two-day	93.00
	Three-to-five-day	90.28
	Presort First-Class Mail	
	Overnight	95.00
	Two-day	95.00
	Three-to-five-day	92.20
	First-Class Mail Letter and Flat Composite (FCLF)	92.50
	Marketing Mail and Periodicals Composite	93.37
	Market Dominant Composite	93.00
	Competitive Product Composite	Not Public ⁱ
Excellent Customer Experience	Customer Experience Composite Index	74.39
	Business Service Network (BSN)	98.00
	Point of Sale (POS)	87.46
	Delivery	80.94
	Customer Care Center (CCC)	69.88
	Customer 360 (C360)	40.05
	usps.com	73.41
	Business Mail Entry Unit (BMEU)	96.29
Safe Workplace and Engaged Workforce	Total Accident Rate	13.25
	Grand Mean Engagement Score	3.33
Financial Health	Controllable Income (Loss) (\$ in billions)	0.50

Strategic Initiative Implement a modern, transformed network of retail Post Offices.		
Corporate Performance Outcome / Goals	Measure	FY 2023 Target
Excellent Customer Experience	Customer Experience Composite Index	74.39
	Business Service Network (BSN)	98.00
	Point of Sale (POS)	87.46
	Delivery	80.94
	Customer Care Center (CCC)	69.88
	Customer 360 (C360)	40.05
	usps.com	73.41
	Business Mail Entry Unit (BMEU)	96.29

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Safe Workplace and Engaged Workforce	Total Accident Rate	13.25
	Grand Mean Engagement Score	3.33
Financial Health	Controllable Income (Loss) (\$ in billions)	0.50

Strategic Initiative Stabilize and empower workforce to include reducing pre-career turnover.		
Corporate Performance Outcome / Goals	Measure	FY 2023 Target
Safe Workplace and Engaged Workforce	Total Accident Rate	13.25
	Grand Mean Engagement Score	3.33

Strategic Initiative Align organizational structure to support effectiveness.		
Corporate Performance Outcome / Goals	Measure	FY 2023 Target
Financial Health	Controllable Income (Loss) (\$ in billions)	0.50

Strategic Initiative Implement a more rational pricing approach including a judicious implementation of new and existing pricing authorities.		
Corporate Performance Outcome / Goals	Measure	FY 2023 Target
Financial Health	Controllable Income (Loss) (\$ in billions)	0.50

Strategic Initiative Support legislative and administrative actions.		
Corporate Performance Outcome / Goals	Measure	FY 2023 Target
Financial Health	Controllable Income (Loss) (\$ in billions)	0.50